

ER 6-5734/a

FEB 1 1955

card
Honorable William F. Knowland
United States Senate
Washington 25, D. C.

Dear Bill:

I appreciate very much
your letter of January 24 enclosing
the article from the Hong Kong
Standard.

Sincerely,

SIGNED

Allen W. Dulles
Director

O/DCI, [] am (27 Jan 55)

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6-5734

United States Senate

COMMITTEE ON APPROPRIATIONS

24 January 1955

Dear Allen:

In case the same has not been called to
your attention, I thought you might be interested in
the enclosed article from the Hong Kong Standard of
January 7.

Sincerely yours,



William F. Knowland

Mr. Allen W. Dulles
Director
Central Intelligence Agency
Washington, D. C.

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Revolts Flaring Up In Communist China

HONG KONG STANDARD

By FREDERICK WOLFE

- 7 JAN 1955

Sporadic revolts are flaring up in different parts of Communist China because of ruthless oppression and exploitation by the Peking regime. Not all of the trouble makers are American and Nationalist agents as often charged by Radio Peking and the Hsin Hua (New China) News Agency but are members of the Communist Party who have become thoroughly disgusted with the present situation.

A deep-seated anti-Communist headquarters was unearthed early in December by security agents of the Peking regime at Panhsi in Manchuria, a railway town about 20 miles south of Mukden. The source of information is none other than the Jen Min Jih Pao, official newspaper of the Peking Central People's government. It is significant that the conspirators were party workers otherwise known as cadres or "kanpu."

The name of the rebel setup was the People's Administrative Party, which had been formed for three years. A raid of the armory unearthed pistols, dynamite, hand grenades, machineguns and other small arms. The Jen Min Jih Pao did not identify the plotters with the usual "American warmongers and Wall Street imperialists," and it seems obvious that the arrested men were on their own in their conspiracy against the Communist authorities.

It is surmised that the ringleaders of the People's Administrative Party may be connected with Kao Kang, ousted chairman of the Northeast People's government. What happened to Kao has never been announced by the Communist newspapers during the last year. Informed quarters speculated that he has either been liquidated or exiled to some distant concentration camp because of rivalry with Liu Shao-chi, now chairman of the standing committee of the National People's Congress.

Extensive Blood Purge

Various reports received in Hongkong tend to confirm the impression that the present executions of "reactionaries" and enemy agents are as numerous and frequent as during the anti-corruption campaigns in 1952 and the period of "agrarian reform" in 1951.

Newspapers in Nanchang, Canton, Wenchow and other places have reported almost every day the execution of enemy agents and rebels. One Communist report announced that between January and October, 1954 the number of persons condemned to death as spies and reactionaries came up to 278.

This is a very conservative figure, as many persons were reported missing and might have been liquidated without announcement. The Communist authorities made a fanfare of the executions in order to frighten the people, because the names of victims were announced in newspapers, posters and radio broadcasts.

One principal cause of resistance by the peasants is the heavy taxation, which deprives the planters of all gains from their labour. Party members have often announced sharp increase in agricultural production, but these are only estimated figures which the farmers are expected to achieve. In any event, the planters are taxed not in accordance with ac-

tual production but with estimated output much higher than the actual harvest.

As a result, agricultural production has gone down and many harassed farmers have defied the tax collectors by refusing to surrender their produce and gone to the mountains to join up with the guerillas. A reliable source said that the guerillas along the North River and Little North River have resumed their sabotage and plundering of military stores. They are particularly active in Yingtak, a railway town in north Kwangtung province, where police stations and supply depots were raided.

Resistance in Communist China has grown stronger and more widespread because of the leaflets dropped by Nationalist planes from Formosa urging the people to rise up against the Communist masters or at least not to collaborate with them. Another source of inspiration is from the Communist press and radio which every day accuses the United States of giving military aid to the Nationalist government in Formosa in connection with the eventual conquest of the mainland.

Red Boomerang Seen

Arrivals of high American officials in Taiwan such as Admiral Arthur W. Radford, chairman of the Joint Chiefs of Staffs, are fully carried by the Hsin Hua News Agency, whose reports duly appear in all newspapers in Chinese cities. All the American visitors were said to carry plans to the Nationalist government concerning ways and means to uproot the

Communists on the China mainland.

Such reports, because of their gross distortion to indicate sinister American designs on the China subcontinent, are received with inspiration by the people inside the Bamboo Curtain who are prematurely led to the belief that very soon the Nationalists with American aid will stage a comeback. They are more optimistic than the best read newspaper readers in Hongkong.

Thus the disgruntled peasants have joined hands with hibernating partisans in the belief that the day of liberations is close at hand. It is true they are stirred up also by Kuomintang agents and broadcasts from the Broadcasting Corporation of China in Taipei and the Voice of America in Washington.

It is said that some of the early agents nabbed by the Communists were supposed to be airdropped by a cloak and dagger unit under General Tsai Wen-chih, who once had headquarters somewhere in Okinawa. The favourite gossip in Hongkong was that Tsai was financed by the United States in sending large numbers of agents to the mainland.

Most suspects in China are charged to be American agents, although the Tsai Wen-chih outfit was reportedly disbanded some time ago for not showing results. In any event, the bugbear of American spies has continued to haunt the leaders in Peking, who, taking no chances, have rounded up large numbers of suspects on the slightest pretext and have thereby increased the grievances of the people.

MEMORANDUM FOR: MR. DOLLES

After you have noted I will send this
clipping to DD/P.

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27 Jan 1955
(DATE)

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